



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt resolution authorizing the City Manager to execute an addendum to the Professional Services Agreement with Borismetrics, Inc., approved May 4, 2005, to increase funding to support Electric Utility Department's rate analysis and resource acquisition needs (\$50,000) (EUD)

MEETING DATE: October 19, 2005

PREPARED BY: Interim Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to execute an addendum to the Professional Services Agreement with Borismetrics, Inc., approved May 4, 2005, to increase funding to support Electric Utility Department's rate analysis and resource acquisition needs (\$50,000).

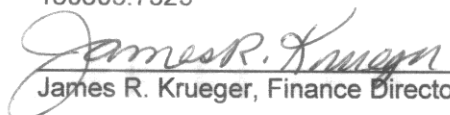
BACKGROUND INFORMATION: The Electric Utility Department faces a number of current issues related to the Department's resource position in a volatile energy market. In part, this is due to the Hurricane damage to natural gas and petroleum facilities in the Gulf Coast.

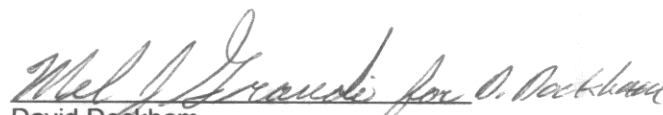
On May 4, 2005, the City Council authorized the Electric Utility Department to hire Boris Prokop through a professional services agreement with his company, BORISMETRICS, Inc. to perform rate analysis and resource acquisition needs. BORISMETRICS, Inc. is highly qualified to provide the needed expertise by virtue of its direct experience and familiarity with the issues facing the City of Lodi and the electric industry.

In order to address the recent issues in the areas of rates and power supply for the City of Lodi and given the rapid change in the electric utility industry, there is a need to expand the services by authorizing this increase of \$50,000, for a total contract of \$90,000. This increase will cover the additional work associated with resource procurement, rate analysis, rate design and detailed analysis associated with customer frequency distribution relating to energy use. This funding would carry his work through the end of June 2006. At the discretion of the Utility Director, this full amount may not be utilized.

FISCAL IMPACT: The addition to this contract will be funded through vacancy savings.

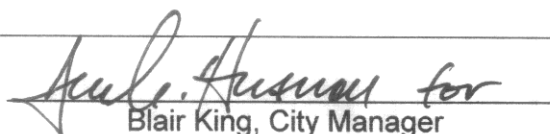
FUNDING: 160603.7323


James R. Krueger, Finance Director


David Dockham
Interim Electric Utility Director

Prepared By: Mel Grandi, Manager, Electric Services
DD/MG/1st
C: City Attorney

APPROVED:


Blair King, City Manager

ADDENDUM TO PROFESSIONAL SERVICES AGREEMENT



October 13th, 2005

Dave Dockham
Interim Electric Utility Director
City of Lodi
Electric Utility Department
1331 South Ham Lane
Lodi, California 95242

This letter requests an increase in the current contract amount of \$40,000 to \$90,000 for the Borismetrics contract passed originally by Council resolution as agenda item E-13 on May 4, 2005. The intensity of work due to proposed rate changes has necessitated this \$50,000 increase.

Thank you for this opportunity

A handwritten signature in cursive script that reads "Boris Prokop".

Boris Prokop

Approved by City Council: 10/19/05

Blair King, City Manager

Dated: _____

Approved as to form: _____
D. Stephen Schwabauer, City Attorney

Attest: _____
Susan J. Blackston, City Clerk

RESOLUTION NO. 2005-222

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY
MANAGER TO EXECUTE ADDENDUM TO THE PROFESSIONAL SERVICES
AGREEMENT WITH BORISMETRICS, INC. TO INCREASE FUNDING TO
PROVIDE SUPPORT OF ELECTRIC UTILITY DEPARTMENT'S RATE
ANALYSIS AND RESOURCE ACQUISITION NEEDS (\$50,000)

=====

WHEREAS, the Electric Utility Department faces a number of current issues related to the Department's resource position and volatile energy market; and

WHEREAS, on May 4, 2005, the City Council authorized the hiring of Boris Prokop of Borismetrics, Inc., through a professional services agreement to perform rate analysis and resource acquisition needs; and

WHEREAS, Borismetrics, Inc. is highly qualified to provide the needed expertise by virtue of its direct experience and familiarity with the issues facing the City of Lodi and the electric industry; and

WHEREAS, in order to address the recent issues in the areas of rates and power supply for the City of Lodi and given the rapid change in the electric utility industry, there is a need to expand the services by authorizing an increase of \$50,000; and

WHEREAS, this increase will cover the additional work associated with resource procurement, rate analysis, rate design, and detailed analysis associated with customer frequency distribution relating to energy use for work through the end of June 2006, which may or may not be utilized at the discretion of the Electric Utility Director.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an addendum to the professional services agreement with Borismetrics, Inc., thereby increasing funding for this contract by \$50,000, to cover the additional work associated with resource procurement, rate analysis, rate design, and detailed analysis associated with customer frequency distribution relating to energy use for work through the end of June 2006, which may or may not be utilized at the discretion of the Electric Utility Director.

Dated: October 19, 2005

=====

I hereby certify that Resolution No. 2005-222 was passed and adopted by the Lodi City Council in a regular meeting held October 19, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and
Mayor Beckman

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk